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FAQS: DARK & LIT FIBER

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General

_____ Q1: What is "dark fiber" and how do the FCC's new rules "equalize" the treatment of dark fiber and lit fiber?

_____ Q2: What is special construction?

_____ Q3: What is the difference between special construction and self-provisioning of fiber?

_____ Q4: What FCC Order provides rules about fiber, special construction, and self-provisioning of fiber?

_____ Q5: In what funding year will the changes to special construction and self-provisioning of dark fiber go into effect?

_____ Q6: Can applicants receive E-rate Program funding to construct their own high-speed broadband networks?

_____ **Q7: What is USAC's best advice to applicants who are considering self-provisioning?**

A7: Start early. The process will involve developing a Request for Proposal (RFP), soliciting bids, and evaluating the bids to make sure self-provisioning is the most cost-effective option. Remember that you are required to solicit bids for both lit service and self-provisioning through the same FCC Form 470 unless you have previously issued an FCC Form 470 for lit fiber service and received no bids. If this is the case, you may pursue a self-construction option through a second posting for the same funding year.

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_____ Q8: Do states that have existing fiber networks have to switch to the self-provisioned model? Or must applicants for fiber services consider the option of self-provisioning?

_____ Q9: Does USAC have representatives who can explain the rules and help provide basic guidance as we consider the self-construction option?

Filing the FCC Form 470

_____ Q10: Should I indicate anything specific when I apply for lit fiber?

_____ Q11: If I want to seek bids for dark fiber, is there anything special I need to indicate on the FCC Form 470?

_____ Q12: Do I select "Dark Fiber" on the FCC Form 470 if I am seeking bids to build and own my own network?

_____ Q13: On the FCC Form 470, how do I indicate my intent to seek bids for network equipment?

_____ Q14: Where do I indicate that I am seeking bids that provide for installment payments for special construction?

Competitive Bidding

_____ Q15: Can you explain the competitive bidding requirement for special construction projects?

_____ Q16: How does an applicant determine the elements of a cost comparison between lit services and special construction?

_____ Q17: How do you compare the cost of network equipment (lit vs. dark vs. self-provisioned) in competitive bidding?

_____ Q18: Since the refresh of equipment on existing dark fiber or self-provisioned networks is not special construction and the requirement to compare dark or self-provisioned fiber to lit fiber is only for new service, do I still need to file an FCC Form 470 to seek bids on existing equipment?

_____ Q19: If I am seeking bids only to refresh network equipment for leased dark fiber, how do I post for this on the FCC Form 470?

_____ Q20: If I have a dark fiber lease or an IRU already, do I still need to post a new FCC Form 470 for FY2016?

_____ Q21: Adding on to the last question about pre-existing leases or IRUs, do I need to perform the new competitive bid comparison of dark vs. lit fiber to determine which is the most cost-effective?

Funding and Payments

_____ Q22: Can applicants get E-rate Program support for dark fiber that is not lit?

_____ Q23: Is there a cap on the funding that is available for self-provisioning?

_____ Q24: When can I begin my special construction project?

_____ Q25: Am I still required to amortize large capital costs over a period of three years for charges of \$500,000 or greater?

_____ Q26: Can you explain the rules around an applicant requesting installment payments for special construction projects?

_____ Q27: Do I have to do anything special if I want to take advantage of installment payments?

_____ Q28: Are service providers required to do anything when their bid includes an installment payment option?

_____ Q29: The Second E-rate Modernization Order allows states to provide funding for special construction projects within their state. Can you explain the state match?

_____ Q30: In lieu of a state match, can grant funding from a private entity be used for special construction and be eligible for the E-rate Program match of up to ten percent?

_____ Q31: Can an applicant or a state seek an opinion from USAC on whether their proposed state funding for special construction is eligible for the E-rate Program match?



The Universal Service Administrative Company (USAC) is dedicated to achieving universal service. As a not-for-profit corporation designated by the Federal Communications Commission (FCC), we administer the \$10 billion Universal Service Fund. With the guidance of the FCC policy, we collect and deliver funding through four programs that are focused specifically on places where broadband and connectivity needs are acute.

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